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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE RHMFISS/CDRUSAREUR HEIDELBERG GE RHMFISS/CDR WASHINGTON DC RHMFISS/CDR TF FALCON RUEKDIA/DIA WASHINGTON DC RUEKJCS/JOINT STAFF WASHINGTON DC RUEKJCS/SECDEF WASHINGTON DC RUESEN/SKOPJE BETA RUEHSQ/USDAO SKOPJE MK RUCNDT/USMISSION USUN NEW YORK 2076 RHEHNSC/WHITE HOUSE NATIONAL SECURITY COUNCIL

C O N F I D E N T I A L SECTION 01 OF 05 SKOPJE 001037

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STATE FOR EUR/SCE

E.O. 12958: DECL: 10/26/2016 TAGS: PREL PGOV PINE MK
SUBJECT: MACEDONIA: EUR DAS DICARLO'S OCT 23-24 MEETINGS
WITH GOVERNMENT AND OPPOSITION

Classified By: P/E CHIEF SHUBLER, REASONS 1.4(B) & (D).

- 21. (SBU) During meetings with high-level GOM officials in Skopje October 23-24, EUR DAS Dicarlo underscored the need for the government to build consensus with the opposition to gain buy-in for key legislative and reform initiatives, for redoubled efforts to implement the reforms required for NATO membership, and for a low-key approach on resolving the issue of demarcation of the Macedonia-Kosovo border. She urged continued Macedonian flexibility on the name issue, and asked opposition parties to be more pragmatic and prepared to compromise with the GOM in order to advance Macedonia's Euro-Atlantic integration agenda.
- $\underline{\mbox{12.}}$ (C) Government officials expressed a willingness to continue efforts to engage the opposition, including continue efforts to engage the opposition, including discussing legislative or other initiatives with opposition eAlbanian DUI before they are discussed in the parliament. DUI's Ahmeti said he was ready to discuss with GOM leaders how to move forward on a "package" of issues of concern to his party, while DPA's Xhaferi called for a private meeting of key government and opposition parties.
- 13. (C) On NATO and EU membership, GOM leaders said they would redouble reform efforts, including Framework Agreement (FWA) implementation, passing a liberal religious freedom law, and combating trafficking in persons and corruption in a non-partisan manner. The government said it would work toward resolving the issue of demarcation of the border with Kosovo in the context of a final status settlement and would continue UN talks on the name dispute. DAS DiCarlo's meetings highlighted the willingness of the major parties to engage in consensus-building dialogue as a precondition for advancing Macedonia's Euro-Atlantic integration prospects. We are working with our IC partners to facilitate that We are working with our IC partners to facilitate that dialogue. End Summary.

MEETINGS IN SKOPJE WITH GOVERNMENT & OPPOSITION LEADERS

14. (SBU) EUR Deputy Assistant Secretary Rosemary DiCarlo met with senior GOM officials, major opposition party leaders, local mayors, business leaders, political analysts, civil society representatives, international community (IC) principals and ambassadors, and university students in Skopje October 22-24. Ambassador, DCM and P/E officers accompanied DAS DiCarlo. In her meetings with PM Gruevski, FM Milososki, President Crvenkovski and other senior GOM officials, DAS DiCarlo made the following key points: DiCarlo made the following key points:

--The GOM must work with the opposition, eAlbanian opposition DUI especially, to build the widest possible consensus and buy-in for legislative initiatives that will enhance the legitimacy of those initiatives and facilitate their implementation.

-For Macedonia to be the strongest possible candidate for NATO membership at the next enlargement round, the GOM must redouble efforts to pass and implement needed reforms, including judicial and economic reforms; combat corruption and trafficking in persons (TIP); pass a liberal reliQ{[SzNQQ2QLQ-Resolving Kosovo's final status sooner rather than later will help bolster stability in the region. The issue of border demarcation with Kosovo is a technical issue that should be resolved in a final status settlement; in the meantime, keep the matter out of the press headlines.

--Continue talks under UN auspices on the name issue, be flexible, and keep the issue out of the press.

 $_15.$ (SBU) In meetings with opposition leaders Sekerinska and Mitreva (SDSM) and Ahmeti (DUI), DiCarlo called for each party to work pragmatically and to demonstrate willingness to compromise on key reforms of broad national interest.

WORKING WITH THE OPPOSITION -- STRIVE FOR CONSENSUS

- 16. (C) PM Gruevski said current political tensions between DUI and governing coalition partner DPA were "emotional and high," and that he wanted to work with both parties to lower them. He was willing to discuss with DUI all issues, even those unrelated to FWA implementation. He said his goal was to strengthen the political stability of the country "at any cost."
- 17. (C) Deputy PM for Euro-Integration Konevska agreed with DAS DiCarlo on the need for dialogue, consensus, and political compromise between the government and opposition. Implementation of reforms required political party buy-in. Her office would try to consult with the opposition on legislation before/before it reached parliament.
- 18. (C) Asked what might make DUI, and DPA, act more pragmatically and constructively, opposition SDSM Vice President Sekerinska said only pressure from the IC would work. Both parties had crossed a red line that made it hard for them to behave pragmatically without external pressure. FM Milososki told DAS DiCarlo that DUI could, if it desired, enjoy a "privileged partnership" with the GOM through its control of the mayorships of all but one eAlbanian-dominated municipality.

DUI'S DILEMMA -- FINDING A MODUS OPERANDI

- 19. (C) DUI President Ahmeti told DiCarlo that the government coalition was putting pressure on his party through a range of actions, including refusal to accept DUI amendments to a draft police law; firing or transferring civil servants connected to DUI; cold-bloodedly "assassinating" the cousin of DUI mayor Lika in Tetovo; and trying to shut down Tetovo State University, which was closely identified with his party. He said he had tried to contact DPA leader Xhaferi to discuss these matters, but there had been no willingness on that side to meet. It was unclear to him who controlled DPA (Xhaferi or VP Menduh Thaci).
- 110. (C) Asked if there was a specific approach he would favor for dealing with DUI concerns in the future, Ahmeti replied that he wanted to reach agreement with the GOM to tackle a package of issues, including the law on police, law on languages, election of future governments with a qualified majority, and a law on compensation for victims of the 2001 conflict. A political commitment from the government to resolve those issues would help the country begin tackling its economic challenges.
- 111. (C) DPA President Xhaferi called the current antagonism between DPA and DUI "irrational," and said it could not be resolved by the two parties only. He added that relations with coalition partner VMRO-DPMNE were going through a rough spell caused by differences over a draft language law. As a result, he said, a private, serious discussion between government and opposition party leaders, perhaps hosted by the US Embassy, would be useful in "building bridges between the parties."

FRAMEWORK IMPLEMENTATION -- STRENGTHENING THE STATE

112. (C) Deputy PM Selmani said the government wanted the FWA to be accepted by all/all citizens as an instrument of positive development that would strengthen the state as it enhanced inter-ethnic relations. Selmani said his office was working on an action plan to improve ethnic minority representation in government, for which he would need eAlbanian and eMacedonian support. He also noted the need for continued work on decentralization and said mayors were using his office as a channel of communication to the government on decentralization needs. SDSM's Sekerinska said the GOM needed to remind the EU that decentralization and the parliamentary elections had been Macedonia's recent successes. She warned that any attempt to politicize the allocation of state resources to the local governments would backfire, and would provoke DUI, which controls nearly all eAlbanian mayorships.

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RELIGIOUS FREEDOM -- CHALLENGING FAITH MONOPOLIES

113. (C) Crvenkovski said passing a draft law on religious communities and groups that expanded religious freedom in Macedonia would erode the monopoly positions of both the Macedonian Orthodox Church (MOC) and the Islamic Community of Macedonia. That would cause a strong political backlash from parties enjoying the support of those institutions. FM Milososki said the MOC and Macedonian public would oppose a more liberal law, since they do not want the Serb Orthodox Church to operate freely here, given its refusal to recognize the MOC's ecclesiastic independence. The Ambassador stressed the importance of passing a law that would open the widest possible window for others to practice their faiths freely.

COMBATING CORRUPTION -- NEED FOR A SYSTEMIC APPROACH

114. (C) Crvenkovski agreed with DAS DiCarlo's message regarding the need to demonstrate results in combating corruption to demonstrate Macedonia's readiness for NATO membership. He pessimistically noted that past governments mistakenly had tried to tackle corruption as a limited campaign, with a limited timeframe and a focus on short-term efforts. What was needed was a more systemic, long-term effort that built on judicial reforms. He concurred, as did Deputy PM Konevska, with DAS DiCarlo's warning that anti-corruption efforts would not be effective if they were based on political "revanchisme," since that would undermine the credibility of those efforts and the institutions undertaking them.

DUI AS "OPPOSITION PLUS"

115. (C) SDSM's Sekerinska said the lack of consultation between the GOM and the major opposition parties on the police law was costing the country in terms of time lost and the negative external impression the dispute had caused. SDSM had told the government they wanted discussion on key laws before/before the drafts were sent to the parliament. (NOTE: SDSM, as lead party in the previous government, offered no such advance consultation to the opposition when it was in power. END NOTE.) SDSM would support key reforms, but did not want the GOM to abuse that goodwill or to take shortcuts in the legislative process. President of Parliament Georgievski agreed that the government needed "carrots and sticks" to use in working with governing coalition ally DPA and the DUI opposition. He agreed with the Ambassador's suggestion that the GOM must treat DUI as an "opposition plus," given its majority share of the eAlbanian vote, but was not confident the current government could master that challenge.

NATO MEMBERSHIP - "ADDED VALUE"

116. (C) PM Gruevski said the government was beginning to implement NATO membership-related reforms. Macedonia wanted the message from the upcoming Riga Summit to offer hope for aspirants for membership invitations in 2008. He pledged that the government would work harder in the meantime to strengthen the judiciary, fight corruption, boost economic growth, and continue defense reforms, among other tasks. Gruevski also pledged continuing support for the war on terror. FM Milososki said Macedonia's integration into NATO would "add value" to the organization, as would the memberships of Croatia and Albania.

EU ACCESSION -- A TWO-WAY PROCESS

¶17. (SBU) Deputy PM Konevska noted that the EU accession process was a "two-way" process reflecting both Macedonia's accomplishments and the mood among EU members. She said the GOM was hoping to begin EU accession negotiations in 2007, but acknowledged that would require concrete results on political EU membership criteria. Her office was planning to complete by March 2007 a list of laws that needed to be harmonized with EU laws and implemented by 2010. DAS DiCarlo noted that the USG would continue to remind the EU of its commitment to Macedonia and the Western Balkans, but that the

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government would have to demonstrate progress in fighting corruption, trafficking in persons, and in strengthening the judiciary to make its case for membership.

KOSOVO FINAL STATUS -- BORDER DEMARCATION

118. (C) PM Gruevski reiterated GOM support for Special Envoy Ahtisaari's efforts. He said the government wanted the Macedonia-Kosovo border demarcation issue to be resolved either before or during the status talks. Gruevski proposed final status language calling on Kosovo authorities to work with other parties to actually demarcate the border "in some defined period of time," but not long after the final status decision took effect. Resolving the demarcation issue as part of final status would make it easier for Macedonia to be among the first countries to recognize Kosovo.

119. (C) FM Milososki was more precise in his formulation — he asked that Pristina be urged to recognize the border not later than three months after Kosovo final status, with completion of demarcation to occur not later than three months after that. President Crvenkovski agreed that resolution of the demarcation issue had to be a part of a final status package. If left unresolved, he warned, the issue would create problems later on.

KOSOVO FINAL STATUS -- REGIONAL STABILITY

120. (C) Deputy PM Selmani told DAS DiCarlo that the GOM would tighten cooperation with Kosovo security forces and would offer authorities in Pristina lessons learned from Macedonia's decentralization experience. Crvenkovski agreed that the only realistic scenario for a Kosovo settlement was some form of independence. He added that, if parliamentary elections were held in December, it would be advisable to delay a final status decision for a short period. That would reduce the chances of the Radicals entering the government, which Macedonia would view as a threatening development. If the elections took place later, however, there should be no delay. FM Milososki agreed that independence was the only viable option. He stressed that delay was in no one's interest and that the process should move forward.

121. (C) DAS DiCarlo noted that resolving Kosovo's final status sooner rather than later would help bring stability to the region. Crvenkovski agreed. At the same time, he said,

it would be better for the final status process to be completed in an atmosphere in which Macedonia was free of intra-ethnic tensions within its eAlbanian community. Hence there was a need to work toward greater inter-party consensus in Macedonia on legislative initiatives.

NO GREATER ALBANTA

122. (C) Crvenkovski agreed with DAS DiCarlo's reiteration of the Contact Group position that there would be "no greater Albania" after Kosovo final status. He believed the IC and other countries in the region would respect those parameters, but was concerned that radical ethnic Albanian forces in the region would not. He suggested preventive action would be needed — coordinated between Macedonia, Kosovo, and Albania — to keep such forces under control.

NAME ISSUE -- AVOIDING TIT-FOR-TAT

123. (C) On the name issue, PM Gruevski said he had sensed a recent growing inflexibility in Athens, as reflected in "inappropriate statements" by high-level Greek officials. He was concerned about Greek threats to prevent Macedonia entering the EU or NATO, even as FYROM, if it did not change its constitutional name. Seeking to explain Macedonia's two-name approach, FM Milososki noted the 1995 Interim Agreement between Macedonia and Greece cited a commitment by the two sides to work on differences over the name. Since Macedonia is recognized by more than 100 countries by its constitutional name, it is clear that the difference referred to is only a difference with Greece, hence the Macedonia offer of a second name for the Greeks to use in bilateral relations. He expected Athens to try to engage in more

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aggressive tactics to pressure Skopje, now that the Greek local elections were over. He stressed that the GOM would try to limit its response and would continue to take part in the UN negotiations on the matter, but would have to respond to any provocative statements by Athens.

COMMENT: A CALL FOR DIALOGUE

124. (C) The common thread running through nearly all of DAS DiCarlo's meetings was the implicit or explicit call for dialogue from both government and opposition leaders. The political leadership in Macedonia has recognized that the current situation, with legislation bogged down in parliament and little action on the reform implementation front, is untenable and ultimately will damage Macedonia's EU and NATO membership prospects. We and our EUSR partners will work with the leaders of VMRO-DPMNE, DPA, DUI, and SDSM to convene a series of private meetings at which a modus operandi can be reached for future consultations and consensus-building on legislative and policy initiatives of key importance to each party.

 $\underline{\ }$ 25. This cable was cleared by DAS DiCarlo. MILOVANOVIC